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FACTSHEET

## Emission Reduction In Cities (ERIC)

Country/Region  
Indonesia

Executing  
Agency  
KFW

Government  
Partner  
Ministry of  
Public  
Works and  
Housing

Project Duration  
2015-2021

Total Budget  
EUR  
83'000'000

SECO  
Contribution  
EUR  
7'400'000



Daily scavengers' activity at the Final Processing Site (TPA) in Sidoarjo, East Java, Indonesia. (Photo: SECO)

### Rationale

The solid waste sector is a crucial contributor to carbon emissions but receive comparatively little support. The Indonesian Statistic Agency (BPS) showed that the use of open dumps, or waste that is burnt, buried, and disposed without control is contributing to around 13% of Indonesia's total Greenhouse Gas (GHG). Indonesia is committed to reduce GHG emission by 26% on a voluntary basis and 40% with foreign support until 2020.

The Government of Germany, through KFW, provided a EUR75.0 million loan to the Government of Indonesia for the ERIC solid waste management project in four cities and regencies (Jambi, Jombang, Malang, Sidoarjo) which is expected to contribute to the emission reduction target and fulfil the mandate of the Law 18/2008 on Solid Waste.

The Government of Switzerland, through SECO, grants EUR8.0 million to the ERIC project for the provision of capacity building (accompanying measures) that will ensure the sustainability of the solid waste facilities.

## Objectives and Activities

ERIC aims to contribute to the implementation of Indonesia's climate change strategy in Indonesian cities through measures which include the whole solid waste management cycle.

The project essentially consists of two components, which are Investment Component (funded by KFW loan), and Capacity Building Component (funded by SECO's grant). The local governments will provide an in-kind and/or cash contribution to the project.

The investment component includes construction of sanitary landfills, sorting and composting plants, and closure of existing dumpsites. The capacity building component will strengthen organizational structures, ensure cost recovery mechanisms, and equip the local solid waste personnel with the capability to effectively and efficiently operate the new solid waste facilities.

## Governance Structure

The Ministry of Public Works and Housing-Directorate General of Human Settlement is the Project Executing Agency (PEA), which is responsible for the project implementation.

The PEA will then establish a National Project Management Unit (NPMU), which is responsible for the tender of consulting services, preparation of detailed design, tender documents, and the tender of works of all KFW-financed measures. The LGs are establishing Local Project Management Units (LPMU), which are responsible for the preparation of detailed design and tender documents for the locally-financed investment measures.

## Results to Date

The results of the project to date are as follow:

- a. Developed toolboxes on Institutional, Technical, and Financial aspects for all solid waste management operators in the four pilot cities (Jambi, Jombang, Malang, and Sidoarjo).
- b. Established and legalized new institutional frameworks for solid waste management in the four cities to allow efficient operationalisation and financing schemes.
- c. Provided academic paper on recommended full cost recovery tariff setting to the local governments of Jambi, Malang, and Sidoarjo as a basis for a revised retribution regulation. The draft regulations are now in different stages of deliberation by the respective local government and/or local parliament.
- d. Developed a Waste Information System (WIS) software for the four local governments and the required trainings that comes with it. This will allow local Environmental Agency staff to conduct spatial analysis of waste flow in the respective cities in order to promote more informed decision-making.
- e. The sanitary landfills themselves – which are funded by a loan from KfW – are now under construction in Jambi, Malang, and Sidoarjo, with a planned completion in October 2020 and start of operation in December 2020.